

_____ BILL NO. _____

INTRODUCED BY _____

(Primary Sponsor)

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING AN INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAM TO ASSIST ELIGIBLE INDIVIDUALS IN SAVING FUNDS FOR SPECIFIC PURPOSES; PROVIDING RULEMAKING AUTHORITY; APPROPRIATING FUNDS; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Individual development account program -- purpose -- eligibility -- administration. (1) The department shall establish an individual development account program to match savings and to provide financial literacy to eligible individuals. The purpose of the program is to provide eligible low-income individuals with the opportunity to accumulate assets through a special account that matches the funds that the individual saves in the account.

(2) An individual is eligible for the program if:

(a) the individual is a Montana resident; and

(b) the individual's family income is at or below 250% of the federal poverty level.

(3) An individual development account may be used to:

(a) buy a first home;

(b) repair a home owned by the individual;

(c) invest in a business owned by the individual;

(d) pay for postsecondary education or training;

(e) buy a vehicle that is needed for transportation to the individual's place of employment or education;

or

(f) repair a vehicle owned by the individual.

(4) The following entities are eligible to administer individual development accounts:

(a) a nonprofit organization that is exempt from taxation under 26 U.S.C. 501(c)(3);

(b) a tribal government; or

(c) a tribal entity.

(5) The department shall solicit proposals from eligible entities statewide to administer the program on

1 a nonprofit basis. In awarding contracts to administer the program, the department shall consider an entity's:

2 (a) fiscal accountability;

3 (b) ability to establish and administer a fund to receive all contributions from program contributors;

4 (c) ability to work with local financial institutions to hold the individual development accounts; and

5 (d) proposed auxiliary services, including financial literacy training and grant writing for federal and other
6 funding, and how the proposed auxiliary services relate to the goals of the individual development account
7 program.

8 (6) The department may accept grants, loans, and other gifts from sources other than the state for the
9 purpose of administering the program provided for in this section.

10 (7) The department may adopt rules to carry out the provisions of this section, including but not limited
11 to rules establishing:

12 (a) eligibility criteria for individuals and entities participating in the program; and

13 (b) standards for the individual development account, including but not limited to:

14 (i) the savings requirements for individuals;

15 (ii) the criteria for matching the individual's savings; and

16 (iii) the criteria for making withdrawals from the account.
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18 **NEW SECTION. Section 2. Appropriation.** There is appropriated from the general fund to the
19 department of public health and human services \$500,000 for the biennium beginning July 1, 2009, to administer
20 and develop the individual development account program provided for in [section 1].
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22 **NEW SECTION. Section 3. Notification to tribal governments.** The secretary of state shall send a
23 copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell
24 Chippewa tribe.
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26 **NEW SECTION. Section 4. Codification instruction.** [Section 1] is intended to be codified as an
27 integral part of Title 53, chapter 2, part 2, and the provisions of Title 53, chapter 2, apply to [section 1].
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29 **NEW SECTION. Section 5. Effective date.** [This act] is effective July 1, 2009.
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